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1. **BULGARIA: Communists plan Army purge**--General Robertson, US Delegate ACC, reports that the Communists are expected to inaugurate a thorough "purge" of non-Communist elements from the Bulgarian Army in the near future. He adds that the Army under its present leadership has exercised a major restraining influence on the Communists.

Opposition's conditions for participation--Bulgarian opposition leaders have advised British and US representatives that they will join the Government, if they are promised the Ministry of Justice, two assistant Ministries of the Interior, "early and free" elections and amnesty for anti-Communist political leaders.

Maneuvers on Turkish border--A US officer in Sofia has seen a telegram from the Commander of the Bulgarian Army ordering certain units to participate in maneuvers along the Turkish border beginning 22 July.

2. **HUNGARY: Premier fears coalition break-down**--According to US Minister Schoenfeld, another political showdown may be in the offing. The Leftists have not yet put into effect the concessions to Premier Nagy's Smallholders' Party and have made new demands on Nagy since his return. Nagy has assured Schoenfeld that he is determined to resist further Leftist demands even at the cost of a break-down in coalition government. Nagy is very concerned, for he fears that such a development would lead to civil war.

3. **IRAN: Possible shift in Soviet policy**--US Ambassador Allen believes that the current visit of the Shah's sister to the USSR reflects a Soviet desire to show Qavam that he is not "indispensable." Allen comments that Qavam is "very angry" and the Shah continues thoroughly suspicious of Soviet motives. Allen suggests that the Soviets may also be maneuvering to forestall action by the Shah to "block or put many obstacles in the way of a Soviet oil concession."

#### FAR EAST

4. **JAPAN: Dominion participation in disarmament treaty**--The UK has expressed to the State Department its firm belief that the Dominions and India should participate in the proposed treaty for disarming and

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demobilizing Japan. Acheson has informed Byrnes of his opinion that, since each signatory to the treaty would be a member of the Commission of Control, the British proposal would increase the Commission to more than four members and thereby reduce its capacity for swift and certain enforcement action.

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